

**The Best of Both Worlds?  
An Exploratory Study of Human Resource  
Management Practices in U.S.-Based Japanese Affiliates**

**Schon Beechler  
Allan Bird**

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Professor Schon Beechler  
Graduate School of Business  
Columbia University  
704 Uris Hall  
New York, NY 10028  
(212) 854-3976

Professor Allan Bird  
Stern School of Business  
New York University  
New York, NY 10006  
(212) 285-8917

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**THE BEST OF BOTH WORLDS?**  
**AN EXPLORATORY STUDY OF HUMAN RESOURCE**  
**MANAGEMENT PRACTICES IN U.S.-BASED JAPANESE AFFILIATES**

Abstract

Japanese management practices have received considerable attention and notoriety over the past fifteen years as Westerners have searched for an understanding of Japan's meteoric economic success. As Japan's foreign direct investments have skyrocketed in the last few years attention has shifted from what the Japanese are doing at home to what they are doing overseas. In spite of this, however, relatively little empirical research has actually been conducted on the management of foreign affiliates of Japanese firms.

This chapter reports the results of an exploratory study examining the characteristics of human resource management practices and policies in 49 Japanese manufacturing and service affiliates located in the United States. It describes the policies and practices of personnel selection, compensation, appraisal, and development in terms of three archetypal strategies for managing human resources. This chapter also examines the extent to which policies and practices conform to predications for the three HRM strategy types, as well as the degree of consistency found between stated organizational policies and actual practice.

## **Introduction**

Japanese management practices have received considerable attention and notoriety over the past fifteen years as Westerners have searched for an understanding of Japan's economic success (e.g., Ouchi, 1981; Pascale & Athos, 1981). More recently, attention has shifted from what the Japanese are doing at home to how they are managing their overseas operations (e.g., Boyacigiller, 1990; DeNero, 1990). This attention is due, in part, to the increased level of overseas investment by a large number of Japanese firms. Japanese multinational corporations (MNCs) have moved aggressively into a global business arena once dominated by European and American MNCs.

Today, Japanese MNCs represent a formidable international presence around the world. Total direct foreign investment by Japanese firms increased from \$47 billion in 1988 to \$67.54 billion in 1989, more than a five-fold increase over the 1985 investment level (JETRO, 1991). Investment in the U.S., the largest recipient of Japanese FDI, accounted for over 48% of Japan's total foreign direct investment worldwide in 1989 (JETRO, 1991).

Although the rapid and very visible increase in Japanese foreign direct investment has, in and of itself, spawned a closer look at Japanese overseas operations, this increased attention is also due to the successes a number of Japanese firms have had in the management of their foreign operations. One such example is NUMMI, the Toyota-GM joint venture which has effectively implemented Japanese

management techniques with an "unmanageable" UAW workforce.

Most American managers, the business press, and the general public believe that Japanese MNCs are superbly managed and that they share common management characteristics. The implicit assumption has been that Japanese companies have a single common approach to management and that this approach is more successful than the prototypical "Western" management style. However, there is little empirical evidence to support these conclusions and indeed, there is some evidence to the contrary. For example, DeNero (1990) argues that most Japanese MNCs do not perform nearly as well in the United States or Europe as they do in Japan. He states that:

...despite their massive investments in US sales and marketing, manufacturing and even R&D facilities -- few of these companies possess the full range of institutional skills needed for globalization. The necessary approaches to planning, measuring, rewarding, communicating, and day-to-day decision making all fly in the face of the centralized, functionally-driven style of most Japanese MNCs (DeNero, 1990: 157).

Much of what we know about Japanese operations in the U.S. comes from the popular press and is primarily anecdotal in nature. The empirical studies which do exist are generally descriptive in nature and very little progress has been made toward developing and applying discipline-based theoretical paradigms to Japanese MNCs.

One consequence of this empirical deficiency has been an assumption by some writers that Japanese management is culturally deterministic, i.e., that Japanese companies have instituted specific types of policies and practices both at home and abroad simply because they are Japanese. Such an assumption overlooks the potential

influence of company-specific distinctive competencies, industry effects, or other variables which have been shown to be significant in determining organizational structures and processes in research on American and European firms.

In order to help close this gap in our knowledge, the research study which forms the basis of this chapter was undertaken to examine Japanese management practices and policies in American affiliates. Using a theoretical model which incorporates recent thinking in strategy and international human resource management, this exploratory study of 64 U.S.-based Japanese affiliates both examines the similarities and differences between these Japanese affiliates and explicitly attempts to explain the relationships between business-level strategies and human resource management strategies, policies and practices. In this chapter, we report on a subset of the research results, focusing our attention on the HRM strategies in use in the affiliates in our sample and the nature of the human resource management policies and practices in place in these firms.

## **HRM Strategies**

We begin with the premise that Japanese firms are *not* all alike, that they have different philosophies, policies and practices, as well as strategies. Because we begin with this premise and reject the assumption of cultural determinism, we can apply

existing theory in this area, although decidedly domestic in its orientation, to Japanese organizations. It then becomes an empirical question whether these frameworks actually apply to Japanese firms or not. Although a number of schemes have been suggested for categorizing HRM strategies (Carroll, 1991; Cascio, 1991; Dyer, 1984; Schuler, 1988; Schuler & Jackson, 1987; Wright, forthcoming), one typology in particular (Schuler & Jackson, 1987) is consistent with previous theoretical and empirical writings on Japanese firms (e.g., Hatvany & Pucik, 1981; Kagono, Nonaka, Sakakibara & Okumura, 1985). This typology defines three general types of HRM strategies.

A *Utilizer* strategy is predicated on minimal employee commitment and high skill utilization. It seeks to deploy the human resources of the firm as efficiently as possible through the acquisition and dismissal of personnel in accordance with the short-term needs of the firm and the matching of employee skills to specific task requirements. Hiring decisions are based primarily on technical fit of candidates and there is little organizational support for employee development. Schuler (1988) concluded that a Utilizer HRM strategy is common in many American firms and Kagono et al. (1985) suggest that this strategy is more likely to be found in firms based in the United States than in Japan.

An *Accumulator* strategy is based on maximum employee involvement and skilled execution of tasks. It attempts to build up the human resources of the firm through the acquisition of personnel with large, latent potential and through the development of that latent potential over time in a manner consistent with the needs of

the organization. This HRM strategy exhibits strong parallels with accepted conceptions of Japanese HRM practices (e.g., Abegglen, 1958; Kagono et al., 1985; Lincoln and Kalleberg, 1990; Rohlen, 1974).

Finally, a *Facilitator* strategy is focused on new knowledge and new knowledge creation. It seeks to develop the human resources of the firm as effectively as possible through the acquisition of self-motivated personnel and the encouragement and support of personnel to develop, on their own, the skills and knowledge which they, the employees, believe are important. Schuler (1988) suggests that this strategy may reflect an emergent movement in American firms' HRM practices.

## **HRM Dimensions**

The implementation of any HRM strategy requires the formulation of specific policies and practices addressing each of the functional areas of human resources management: planning, staffing, compensation, appraisal, and training and development. These policies and practices may vary according to a number of dimensions. Although a number of writers have identified dimensions within particular HRM functions (e.g., Schuler and Jackson, 1987), none have systematically

applied those dimensions across all of the HRM functions nor have they provided any theoretical framework with which to link the dimensions and the observed HRM policies or practices. The work in this area has thus been fragmented, descriptive and atheoretical in nature. Only recently are we beginning to see the emergence of paradigm development in this field.

To both address the gap in theory and to explore the linkages between theory and practice, we first identified eight dimensions on which HRM policies and practices in each of the HRM functional areas could vary: participation, time horizon, formality, explicitness, scope, individualism, frame of reference, and equity. These eight dimensions were derived by cataloging and classifying statements of HRM practices and policies found in the practitioner and academic literatures. Each dimension was identified on the basis of its ability to be broadly applied and yet be clearly distinguishable from the other dimensions. In other words, a policy's position on one dimension would not necessarily restrict its position on any of the other dimensions. These eight dimensions are briefly described below.

*Participation* is defined as the extent to which employees and non-related personnel and departments participate in HRM decisions. For instance, in some organizations employees are involved in setting their own performance objectives whereas in others, performance measures are established and applied across employees by the personnel department.

*Time Horizon* refers to the relative time horizon of HRM activities, i.e., the extent to which such activities are focused on immediate concerns as opposed to



future concerns. For example, in some organizations the incentive component of compensation packages is based on achievement of short-term goals (i.e., three to six months) as opposed to long-term goals (i.e., 18 to 24 months).

*Formality* is defined as the extent to which HRM activities are codified and/or follow set procedures or sequences. For instance, when conducting performance appraisals, some organizations use standardized forms and conduct interviews in a formal fashion at regular intervals while in others there is little standardization and interviews are conducted in a less systematic fashion.

*Explicitness* refers to the extent to which HRM policies, decision-making criteria, and activities are clearly stated and communicated throughout the organization. In some organizations, HRM plans are stated clearly and in great detail. In other organizations, although the plans may still be well-understood, they are neither articulated in detail nor explicitly defined.

*Scope* pertains to the relative focus of HRM activities, i.e., the extent to which such activities are concentrated on or directed at a limited set of goals or purposes versus concentrating on a wide range of goals, or are confined to a specific group of individuals as opposed to encompassing a large group of individuals. For example, training employees for specific skills constitutes a narrow scope whereas training which provides employees with general skills or abilities exemplifies a broad scope.

*Individualism* is defined as the extent to which HRM activities are directed toward, or oriented around, the individual as opposed to the group (i.e., work group, project team, section, etc.). For example, employees can be compensated based

primarily on their own performance or based on the performance of their unit, section, or department in which they work.

*Frame of Reference* refers to the extent to which the basis for comparison or evaluation of HRM activities is *within* the organization rather than *between* organizations. In the area of appraisal, for example, an employee's performance could be compared to his/her peers' performance within the firm or to some industry or professional standard.

Finally, *Justice* is the extent to which HRM activities are concerned with fairness as opposed to equality, i.e., take into account individual differences as opposed to applying a single standard or criteria across all employees. For instance, training can be provided to employees on the basis of individual need or to all those who qualify, regardless of need.

#### Matching HRM Strategy and Policies and Practices on the Eight Dimensions

Implementation of any HRM strategy requires the formulation of specific policies and practices addressing each of the functional areas of human resource management. Using a contingency perspective (e.g., Van de Ven & Drazin, 1985), we predict that a firm's HRM policies and practices should match with its HRM strategy. That is, under norms of rationality, managers will adopt policies and

practices which will facilitate the implementation of the firm's HRM strategy. Thus, different HRM strategies should lead to systematic variations in human resources policies and practices. In the following section, we outline a profile of HRM policies and practices for each of the three HRM strategic types (Accumulators, Utilizers, and Facilitators), using the 8 dimensions of HRM described above. The relationship between each of the three HRM strategies, their policy implications and each strategy's relative position on the eight dimensions are presented in Table 1.

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TABLE 1 ABOUT HERE

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#### Accumulator Profile

An Accumulator strategy focuses on providing employee skill development in an evolutionary fashion in accordance with the firm's slowly evolving human resource needs. Once employees with large latent potential are selected into the firm, attention shifts to developing employees' abilities, skills, and knowledge in ways that will serve company purposes.

The internal development of human resources over time requires the firm to exercise care in the selection of new employees. The firm searches for employees with both future potential and personal fit with the firm since the relationship between

employer and employee is expected to be long-term. The result is a selective hiring process, an emphasis on job security, and the application of compensation and promotion policies containing a strong seniority component. These, in turn, call for extensive training which, because it is directed at internal company-employee fit, is biased toward on-the-job training and the development of a skill set which is firm-specific.

Because Accumulators emphasize maximum employee involvement and skilled execution of tasks, we predict that policies and practices in these firms will be characterized by moderate levels of participation, long time horizons, high formality, high explicitness, a broad scope, low individualism, an internal frame of reference, and be based on principles of equality. As an example, if we apply this profile to the function of training and development, we would expect Accumulators to have a set of policies and practices which would: 1) encourage moderate participation by employees in determining the type and amount of training they receive; 2) emphasize training to develop skills for jobs which employees do not currently occupy or which do not exist; 3) provide training within a well-defined framework or program; 4) clearly define the nature of the training and its content; 5) carry out training that enhances general skills, abilities, and knowledge of the employee; 6) address training to the development of individual, as opposed to group competencies; 7) conduct training in-house with content that is firm-specific; and 8) provide training to all employees equally.

## Facilitator Profile

A Facilitator strategy seeks to create flexible team structures and is concerned with managing human resources in a way that facilitates the creation and management of new knowledge. Facilitators must balance their need to keep up with technological change with long-term effectiveness considerations. Because Facilitators seek to develop the human resources of the firm as effectively as possible through the acquisition of self-motivated personnel and the encouragement and support of personnel to develop their skills on their own, we predict that policies and practices in these firms will be characterized by high levels of participation, moderate time horizons, low formality, moderate explicitness, a moderate scope, moderate individualism, a frame of reference which balances an internal and external orientation, and a balance between equity and equality considerations.

## Utilizer Profile

A Utilizer strategy places minimal emphasis on employee commitment while trying to ensure immediate and high skill utilization. As a consequence, selection policies focus on closely matching employee skills to immediate task requirements. The need for rapid deployment of manpower also reduces the company's emphasis on

training. The Utilizer's view of employees as just another resource of the firm and their emphasis on resource utilization and deployment encourage the development of appraisal and reward systems based on results (Kagono, et al., 1985). Additionally, compensation is likely to be referenced to the external market since the firm relies on an external, rather than an internal, labor market. Because Utilizers deploy human resources as efficiently as possible in accordance with the short-term needs of the firm we predict that policies and practices at these firms will be characterized by low levels of participation, a short time horizon, moderate formality, high explicitness, a narrow scope, high individualism, an external frame of reference, and principles of equity.

Figure 1 presents ideal profiles of the three HRM strategies in terms of the eight strategic dimensions. It should be noted here that the three HRM strategies occasionally overlap with respect to the positions along some dimensions. For example, both Accumulators and Utilizers have a nearly equal emphasis on formality. Although overlap may occur on a single dimension, overall, the three profiles are markedly different from each other.

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FIGURE 1 ABOUT HERE

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The three HRM strategy profiles described above can, we believe, be applied to domestic and international situations and to Western and non-Western firms alike.

Given that the Accumulator profile closely matches what many authors have described as typical Japanese practice, we expect that the majority of Japanese affiliates in our sample will be following an Accumulator strategy. We also expect that very few firms, if any, will be following a purely traditional American approach, a Utilizer strategy, although some firms may have adopted the "hybrid" approach of the Facilitator.

### **The Research Study**

A written questionnaire survey of senior-most American personnel managers and their immediate Japanese supervisors in U.S. affiliates of Japanese firms was carried out between November, 1990 and February, 1991. One of the initial objectives of this study was to examine differences in perceptions of Japanese and American managers towards management issues. For this purpose, questionnaires were mailed in both Japanese and English and we asked respondents to return both. However, a low response rate from Japanese managers removed the possibility of carrying out a comparative analysis by respondent nationality.

Because the research was exploratory, firms included in the survey were selected from a subset of all Japanese subsidiaries in the United States where top level executives had previously indicated an interest in participating in a study of HRM

issues. Out of this subsample, we randomly selected equal numbers of manufacturing and service affiliates and questionnaires were mailed to a total of 219 firms. A total of 69 responses were received after two mailings, yielding a response rate of 32%. Of these 69, five were deleted due to missing data. The remaining 64 firms include 33 manufacturing affiliates and 31 non-manufacturing affiliates. An analysis of the basic characteristics of the respondent and non-respondent firms, including average size, length of tenure in the United States, and location, revealed no significant differences between the two groups.

### Results for the Total Sample

#### Individual Demographic Profile

Survey respondents were 45 years old on average and a majority (80%) held bachelors degrees while an additional 12% had masters degrees. Almost all of the respondents, 66 out of 69, were male. On average, respondents had 13 years experience with their firm and 6 years with their current business unit.

Nearly 60% of the respondents held the position of CEO in their affiliate and the remaining 40% reported to the affiliate's general manager. In terms of functional specialization, almost half of the respondents were in general management, 17% were in human resource management and 20% were in finance. In 72% of the cases the



respondents had an American superior while 28% had a Japanese superior.

The predominance of American superiors in this sample of firms is surprising considering the widely held belief that a "bamboo ceiling" in overseas affiliates prevents American managers from reaching top management positions in Japanese companies (e.g., Boyacigiller, 1990). However, we did find a sizable difference in staffing patterns according to whether the affiliate was a manufacturing unit or not. In non-manufacturing affiliates, 92% of the respondents had an American superior whereas in the manufacturing affiliates, only 54% had an American boss. These results may reflect differences in the affiliates' tasks or the difficulty Japanese managers have reportedly had in managing American white collar employees in service operations (e.g., Pucik, Fifield & Hanada, 1989; Taylor, 1989; Beechler and Yang, 1992).

#### Parent Firm Profile

The average sales volume of the parent organizations of affiliates in the sample totaled \$5,648 million in 1991. These Japanese parent companies employed an average of 16,500 employees worldwide and an average of 700 employees in the U.S. Fifty percent of the sample companies had established operations in the United States prior to 1981 and the remainder had established operations between 1981 and 1990.

## Affiliate Profile

Forty-two percent of the affiliates were established prior to 1981 and the remaining affiliates were established between 1981 and 1990. In the majority of cases (75.4%) the affiliate was established as a greenfield site. Only 10 companies reported that 80% or less of the total capital of the branch/subsidiary was held by the Japanese parent company when the affiliate was first established. The vast majority of firms, 54 of the 64 affiliates, were 100%-owned at the time of establishment and by 1991, 57 of the 64 affiliates were 100%-owned.

The affiliates in the sample had an average sales volume of \$130 million and employed 256 employees. In terms of staffing, on average, 2-3 Japanese dispatchees and 3 American personnel occupied the top three management levels in the sample affiliates. There were an average of 50 managers below the top tier, 44 of whom were American managers, 4 of whom were Japanese dispatchees, and 2 of whom were third-country nationals.

## HRM Strategy

Using the paragraph method, respondents were asked to indicate which HRM strategy was in use at their affiliate: Accumulator, Utilizer, or Facilitator. As described in detail above, an Accumulator strategy is based on maximum involvement and skilled execution of tasks. It focuses on attracting and retaining good employees. There is also an emphasis on continual employee development. This strategy has been traditionally associated with Japanese management and 42.6% of the American affiliates in our sample identified their firm's HRM strategy as that of an Accumulator.

A Utilizer strategy is based on minimal employee commitment and high skill utilization. It focuses on the efficient deployment of human resources by placing people in positions where they will be able to make an immediate contribution to the firm. Hiring decisions are often based primarily on the technical fit of candidates and there is little support for employee development in firms since employees are hired and fired according to the short-term needs of firms. Historically, this strategy has been associated more with an American management style. Only about 13% of the responding affiliates identified their firm's HRM strategy as Utilizer.

Finally, a Facilitator strategy is focused on new knowledge and new knowledge creation. It concentrates on helping people work together. Skill and knowledge development are valued under this philosophy, but are not directly

provided by the organization. Employees receive guidance and support from the organization in their individual development activities, so this strategy may be thought of as a hybrid approach. Forty-four percent of the respondents identified their firm's HRM strategy as one of a Facilitator.

In summary, of 64 affiliates, there were 27 Accumulators, 27 Facilitators, and 9 Utilizers. Thus, as predicted, while there are very few firms in the sample which have adopted an "American-style" HRM strategy, most affiliates have adopted either a traditional Japanese (Accumulator) or a hybrid (Facilitator) approach.

#### Sample Characteristics by HRM Strategy Type

As shown in Table 2, there is almost an equal proportion of manufacturing and non-manufacturing affiliates across each of the three HRM strategy types. On average, Accumulators have been operating in the U.S. for the longest period (20.32 years) while Facilitators have the shortest average tenure (12.71 years). Although Accumulators, Facilitators and Utilizers differ in the length of their overall tenure in the United States, there is wide variation within each strategy type and there is almost no difference in the average age of the affiliates in the sample (10-11 years old) across the three HRM strategy types.

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TABLE 2 ABOUT HERE

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In terms of ownership when the affiliate was first established in the United States, the parent firms of the Accumulators in the sample owned an average of 95 % of the capital, Facilitator parents owned 93%, and Utilizer parents owned 86% of the capital. Currently, the Japanese parent firms of Accumulators own an average of 93%, Facilitators own an average of 98%, and all of the Utilizers are 100%-owned by their parent firms. While it appears that Utilizers have undergone a dramatic shift in ownership position over time, it should be kept in mind that the total number of Utilizers in the sample is small and, hence, these figures are easily influenced by the actions of just one or two firms.

As noted above, the majority of affiliates were established as greenfield operations. Among the three types of affiliates, Accumulators have the greatest percentage of greenfield affiliates (78.3%) while Utilizers have the lowest proportion of greenfield affiliates (71.4%). Again, although the differences between the three categories of firms are not large, it is interesting to note that those firms which have the most "Japanese-style" HRM strategy (Accumulators) have the greatest proportion of greenfield investments while those firms with the most "American-style" HRM strategy (Utilizers) have the lowest proportion of greenfield sites. Although we cannot determine causality from this study, these results may reflect the fact that

Accumulators establish affiliates as greenfield operations in order to more easily transfer "Japanese-style" HRM overseas, whereas Utilizers, because they have a more American approach, may be relatively less concerned with control. This interpretation is consistent with a previous study of control in Japanese affiliates in the United States (Kujawa, 1985). It may also be the case that firms which do acquire existing firms or joint ventures may be unable to implement a "Japanese-style" HRM strategy because of the presence of existing personnel, policies and systems which are difficult to change, and therefore turn to a more "American-style" approach.

In terms of size, Accumulators employ fewer people in their American operations (424) than either Utilizers (574 employees) or Facilitators (1014 employees). At the affiliates themselves, Accumulators again have the fewest average number of employees (167), while Utilizers have the most (660 employees). However, there is wide variation in size among the firms in each of the strategy types, as shown by the standard deviations in Table 2.

Perhaps the most striking differences to be found among the three types is the size of the Japanese presence in the American affiliate. There are, on average, between 2-3 Japanese expatriates in the top three management levels in all three types of firms. However, breaking out the sample by HRM strategy type, Accumulators, despite their relatively smaller size, have significantly more Japanese expatriates (average = 6) in management levels below the top three levels in the affiliate than either Utilizers (2.57) or Facilitators (2.96). In terms of the percentage of Japanese expatriate managers to all managers at the affiliate, the differences are even more

striking. While an average of only 8% of all managers in Utilizers are Japanese, 30% of Facilitator managers are Japanese and 51% of all Accumulator managers are Japanese.

Those firms with the most "American-style" approach to HRM strategy have the smallest proportion of Japanese managers while those affiliates with the most "Japanese-style" approach have the greatest proportion of Japanese managers. These results are consistent with the observations of a number of writers who have argued that in order to transfer "Japanese-style" management overseas, a high concentration of expatriates is necessary since these individuals act as transfer agents from the Japanese headquarters to the overseas affiliate (e.g., Tsurumi, 1976; Yoshino, 1976). These findings support the proposition that firms attempting to implement Japanese HRM systems in their overseas affiliates exert tighter control over the HRM function.

#### Results for Larger Affiliates

Because follow-up interviews at a number of the sample companies revealed that very small affiliates generally take an ad-hoc approach to HRM policies, we excluded all those affiliates with under ten employees when conducting the analyses of HRM policies and practices presented below. Descriptive statistics for this smaller sample are presented in Table 3. As shown in this table, there are statistically

significant differences (using t-tests between the three strategy groups) in the number of total MNC employees worldwide between Accumulators and Facilitators and between Facilitators and Utilizers. There are also significant differences on the percentage of capital owned by the Japanese parent between Utilizers (mean=100%) and Accumulators (mean=91%). In addition, there are significant differences between Accumulators and Facilitators and between Accumulators and Utilizers on the number of Japanese managers in the affiliate as well as between Facilitators and Utilizers and between Utilizers and Accumulators on the percentage of Japanese managers to total managers in the affiliate. These differences are consistent with those described above for the total sample of firms (including those affiliates with under ten employees). There are no statistically significant differences between the three HRM strategy types on any of the other descriptive characteristics presented in Table 3.

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TABLE 3 ABOUT HERE

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## HRM Policies

In order to measure HRM policies on the eight dimensions of participation, time horizon, formality, explicitness, scope, individualism, frame, and justice, we



asked respondents to indicate where their HRM policies were located on a double-anchored 7-point scale. For example, in order to measure explicitness in compensation policy, we asked respondents to indicate whether the policies at their affiliate were closer to the statement "Compensation policies are clearly stated and widely communicated within the firm" or the statement "Compensation policies are not clearly stated nor widely communicated within the firm."

For each of the eight HRM dimensions, we averaged respondents' scores across the five HRM functions to determine an overall measure. We then split the sample according to HRM strategy and calculated the average scores on each of the eight dimensions for the three HRM strategy types. These results are presented in Table 4 below. As shown in the table, Accumulators score highest of the three groups on the participation, time horizon, formality, scope, individualism, and justice dimensions. Utilizers score highest on explicitness and lowest on participation, time horizon, formality, frame and justice while Facilitators score lowest on explicitness and scope and highest on frame. Using a difference in means test (t-test) between each of the three HRM strategy types, we found significant differences between Accumulators and Utilizers on the participation dimension. Compared to Utilizers (mean = 3.17), Accumulators are characterized by significantly higher levels of participation (mean = 3.97) when averaging across the five HRM functions of planning, staffing, compensation, appraisal, and training and development. These results for Utilizers vis a vis Accumulators are as predicted. However, Accumulators in the sample actually have higher levels of participation than the Facilitators,

contrary to our prediction, although the differences are not significant.

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TABLE 4 ABOUT HERE

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In addition, there are significant differences between all three groups on the time horizon dimension with Accumulators having the longest average time horizon across HRM functions (mean = 3.82) and Utilizers having the shortest (mean = 3.03), as expected. None of the other differences between the three groups are significant, although an examination of Table 4 shows that most of the differences between the groups are in the expected direction.

Although we would predict that the eight dimensions should be consistent across the five HRM functional areas, we examined each of these areas separately, again comparing mean scores on each dimension for the Accumulators, Utilizers and Facilitators in our sample. The results for each of the HRM functions of planning, staffing, compensation, appraisal, and training and development are presented in Table 5.

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TABLE 5 ABOUT HERE

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Overall, we found that our predictions are generally supported by the results, although there are a number of differences according to HRM function. For example, there is only one significant difference between the three groups in staffing -- between Facilitators and Accumulators on the individualism dimension. On the other hand, there are a large number of differences between the three strategy types in training policies. In this area, Accumulators have significantly higher levels of participation (mean = 4.0) than Utilizers (mean = 2.67). In addition, both Accumulators (mean = 3.21) and Facilitators (mean=2.91) have significantly longer-term orientations than do Utilizers (mean = 1.67). There are also significant training policy differences between the three strategy types in terms of formality, explicitness, scope, and justice, all consistent with our predictions.

Reflecting on the fundamental differences between the three HRM strategies, these different findings across the HRM dimensions are not particularly surprising. In our typology of Utilizers, Facilitators, and Accumulators, the three strategies are most clearly differentiated according to their approaches toward training and development. It is important to note, however, that it is not merely the amount of training but also the type and purpose of such training which distinguishes between the three HRM strategies.

## HRM Practices

While policies indicate the planned intention of HRM activities or the direction that an organization wishes to move, HRM practices reflect the implementation of these plans. Parallel to the policy questions described above, we measured the eight HRM dimensions for practices in each HRM functional area. In order to reduce response bias and to distinguish between HRM policy and HRM practice, we asked respondents to indicate the percentage of managers to which a particular statement applied (Schuler and Jackson, 1987).

Again we averaged the responses for each of the dimensions across the HRM functional areas to arrive at a profile of practices for each of the three HRM strategy types (see Table 6 below). As predicted, Accumulators scored highest of the three groups on time horizon and scope, although they also unexpectedly scored highest on individualism as well. Also as predicted, Facilitators scored highest on participation, although they also scored highest on formality, explicitness, frame, and justice.

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TABLE 6 ABOUT HERE

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Utilizers scored lowest on all eight dimensions. Whereas the results on participation, time horizon, scope, and justice were as predicted, the Utilizers' scores were opposite to those predicted for the dimensions of explicitness, frame, and

individualism. T-tests show that the only statistically significant differences across the functions are between Utilizers and Facilitators on formality, frame, and justice; with Facilitators' practices being more formal, more externally oriented, and more egalitarian than those of Utilizers.

Looking more specifically at the differences between Accumulators, Utilizers, and Facilitators on the various HRM functional practices, we find that, parallel to the results for HRM policies, there is significant variation between the three strategy types depending on HRM functional area (see Table 7). For example, in the area of compensation, Facilitators have a significantly longer-term orientation (mean = 62.5%) than do Accumulators (mean = 36.9%), contrary to our prediction. In terms of justice, Accumulators have a significantly greater equity-orientation (mean = 59.2%) than do Utilizers (mean = 86.3%), while Utilizers are significantly more equality-oriented than are Facilitators (mean = 64.2%).

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TABLE 7 ABOUT HERE

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In order to compare policies and practices to our original predictions regarding the rank ordering of the three strategy groups on each of the eight dimensions, we transformed the original mean scores to z-scores. These scores, along with our original predictions for each dimension, are presented in Table 8. In addition, the contrasts between predicted results, actual policies and actual practices are presented graphically in Figures 2-4 for each of the three HRM strategy types (Figure 2 is for

Accumulators, Figure 3 for Facilitators, and Figure 4 for Utilizers). What is notable about these results is that Utilizers consistently score lower than the mean on every dimension in their HRM practices. In addition, Utilizers score consistently lower than the sample mean on HRM policies on all of the eight dimensions except for justice (contrary to our prediction) and explicitness (consistent with our prediction).

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TABLE 8 ABOUT HERE

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FIGURES 2,3 & 4 ABOUT HERE

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## **Discussion**

Examining the differences between the firms in our sample in terms of actual HRM practices, we find very few differences between Accumulators, Facilitators, and

Utilizers on the eight HRM dimensions. While there are 27 significant differences between the strategy types on HRM policies, there are only a total of 11 significant differences between the three strategy types on practices. Thus, firms are differentiated on a number of dimensions in terms of policy, but differ little when it comes to actual practice. Executives in each firm believe that they are pursuing distinctive HRM strategies, yet they are not implementing them in distinctive ways.

This is not to suggest that the outcomes at these affiliates are necessarily the same, nor that the differing policies are unimportant. Policies, after all, represent a goal to pursue or a standard to strive for. The cross-sectional nature of this study prevents us from adequately determining the direction in which practices are moving. We cannot know from the results of this study whether practices are moving toward the espoused policies or away from them.

Turning now to the eight dimensions used to measure HRM practices and policies in this study, four dimensions -- participation, time horizon, scope and justice -- most clearly differentiate between the three types of strategies. In terms of HRM functions, the areas of training and planning policies clearly exhibit the most differences between the three HRM strategies. These results suggest that the planning and training functions are most influenced by a firm's particular HRM strategy, while staffing, appraisal, and compensation may be more strongly influenced by external factors or by factors common to all of the firms in our sample. Certainly many practices in these three areas are tightly constrained by government regulations concerning employment, labor relations, and wage and benefit packages.

In addition, our field interviews indicate that one reason for a common approach to recruiting and compensation across the firms in our sample, regardless of HRM strategy, is that many Japanese companies have a difficult time recruiting top-level managers and in retaining American managers at every level in the organization. When employees quit, American managers tend to blame the company while the Japanese managers tend to blame the American employees for the failed relationship. A vicious cycle has therefore developed in many Japanese affiliates where American executives leave the firm, Japanese firms refuse to invest in their employees, and Americans turn over because their firms do not invest in them.

One of the most obvious findings from this research study is the presence of a very small number of Utilizers. This may be an artifact of the sample, which consists of firms with a stated interest in HRM issues. It is possible that Utilizers were self-selected out of the original sample because they do not place a high priority on HRM. On the other hand, the small number of Utilizers may indicate that Japanese firms, even when they do adopt American policies and practices, do not "go native," but retain some aspects of their "Japanese-style" management approach. It is also possible that there are few Utilizers because foreign affiliates are, by definition, an extension of the parent's operations. As such, they incorporate firm-specific knowledge which cannot be acquired easily from local labor markets nor easily marketed to other firms. Given these constraints, the resource deployment approach embraced by a Utilizer strategy is difficult to employ effectively. Finally, it is also possible that the three types of firms are not evenly distributed in any sample,



American or foreign. Resolution of this question must await further research.

While there are few Utilizers in the sample, over 40% of the Japanese affiliates have adopted a Facilitator HRM strategy. The Facilitator differs fundamentally from both the Utilizer and the Accumulator in its emphasis on individual responsibility and choice in the development of human capital. Unlike the Accumulator, where the development of human potential is focused on the evolving needs of the organization, the Facilitator emphasizes and respects the preferences of the individual in development decisions.

Writers on Japanese management practices (Abegglen & Stalk, 1985; Dore, 1973; Hatvany & Pucik, 1981; Lincoln & Kalleberg, 1991; Rohlen, 1974) have stressed the point that Japanese organizations are skillful at aligning the interests of the workers with those of the organization. In their comparative study of control and commitment in Japanese and American companies, Lincoln and Kalleberg (1990) argue that Japanese companies pursue a form of welfare corporatism. This is characterized by what might be called an organization-wide community. Employees hold citizenship in the community (company) and take an active part in the management and guidance of its affairs. In exchange, the organization looks out for and takes care of its citizens.

Not unlike a community in the civic sense, there is an attempt to balance between the interests of the individual and the interests of the community. In Japan, however, the balance has traditionally been tilted in favor of company interests over individual interests. The alignment of individual and organizational goals occurs after

employees are hired through the modification of workers' expectations with regard to short- and long-term rewards as well as expectations of long-term career development within the organization.

In the United States, however, many Japanese firms apparently find it either necessary or advantageous to adapt the traditional Japanese approach to fit the local environment and to attract and retain local workers. Research on differences between Japan and the U.S. in terms of collectivism versus individualism (Hofstede, 1984; Triandis, 1986) has repeatedly found significant differences between the two, with Americans being more individualistic than Japanese. In the American affiliates of Japanese firms, where workers, blue-collar and white-collar alike, tend to focus more on short-term rewards and do not harbor expectations of long-term affiliation with the firm, many companies have adopted a Facilitator strategy and are attempting to retain and develop human capital by providing incentives which allow for greater individual freedom than would an Accumulator strategy.

From interviews with a number of human resource managers we found that many of the adaptations Facilitators have had to make have not been made willingly. These Japanese companies may have been forced, by cultural differences, to cater more to individual employee demands than they customarily do in Japan, since a traditional (Accumulator) Japanese approach does not readily accommodate individual employee needs and leads to difficulties in hiring and retaining able American employees.

At the same time, the large number of Facilitators in our sample may be

reflective of current changes in Japanese management in general. In order to accommodate changes in individual preferences, the changing demographic makeup of the Japanese workforce, and international competitive conditions, Japanese firms may be in the process of gradually shifting from an Accumulator to a Facilitator approach for not only their foreign employees, but for their Japanese personnel in Japan as well.

Although many Western writers implicitly assume that Japanese-style management is both homogeneous and constant, policies and practices in Japanese firms clearly evolve over time. Further research is needed to determine whether Japanese change their HRM strategy when they come to the United States or whether the results signal an evolutionary trend in the development of Japanese management in general, whether there are industry or firm-specific effects which we have not been able to document in the present study, and how much the American environment itself influences these processes.

The results of this study indicate that contrary to popular belief, not all Japanese companies adopt the same approach to HRM strategy. However, the results also indicate that when it comes to the actual implementation of practices, that the Japanese firms in our sample do exhibit a number of consistent patterns. Nevertheless, interviews at a number of the sample firms indicate that these similarities in practices are not due to innate "cultural factors" but to external environmental constraints.

The results from this study also supply empirical verification of the often-

stated but untested assumption that there is a strong association between the transfer of "Japanese-style" management overseas and the presence of expatriates in the overseas affiliate. The presence of Japanese expatriates is associated with a more traditional Japanese-approach to HRM. Companies with an Accumulator strategy tend to send more Japanese expatriates overseas to staff management positions in their affiliates. However, the actual role of the expatriates in the creation and/or maintenance of a particular HRM strategy in Japanese overseas affiliates cannot be determined from our data and requires further study.

Although many Japanese firms have adapted to the American environment, the results from this study indicate that few Japanese affiliates in the United States have "gone local" or completely adopted the prototypically-American HRM strategy of the Utilizer. Those that have done so have relied almost exclusively on American personnel managers and have given them complete discretion over HRM policies and practices at the affiliate. On the other hand, the Facilitators in our sample are attempting to find a middle ground, trying to take the best from both worlds, Japanese and American. Whether this hybrid approach to HRM translates into higher individual and/or firm performance is an empirical question to be explored in the future.

Effective human resource management policies and practices, particularly of American white collar workers, is a key concern of Japanese firms. Japanese MNCs cannot compete in the global marketplace without effectively mobilizing these resources through the implementation of HRM policies and practices which fit the

needs of the organization, its employees, and the external constraints imposed by the firm's environment. Technological prowess, close supplier relationships, just-in-time inventory controls, quality circles and all of the other mechanisms which have been highlighted as keys to Japanese success are meaningless without the human resources to implement them.

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Authors' biographic information:

Schon Beechler is Assistant Professor of Management and International Management, Graduate School of Business, Columbia University. Dr. Beechler received her Ph.D. in Business Administration and Sociology from the University of Michigan and her B.A. in Sociology and Anthropology from Oberlin College.

Dr. Beechler was the recipient of the Fulbright Research Fellowship in Tokyo, Japan from 1986 to 1988. She has conducted research on the management and strategies of Japanese affiliates in Southeast Asia and Europe and is currently researching management practices at Japanese, other Asian, and American affiliates in Mexico and in eight countries in Southeast and East Asia.

Allan Bird is Assistant Professor of Management and International Business, Stern School of Business, New York University and Visiting Professor, Graduate School of Business, Columbia University. Dr. Bird received his Ph.D. in Organizational Studies from the University of Oregon. He received his B.A. in Asian Studies from California State University, Fresno, and his M.A. in Comparative Studies from Sophia University in Tokyo, Japan.

Dr. Bird was the recipient of a Fulbright Research Fellowship in 1987 and an NEC Faculty Fellowship in 1990. His research interests include Japanese HRM practices in foreign affiliates and Japanese top management.

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TABLE 1. HRM Strategies, Their HRM Policy Implications, and Predicted Scores on the Eight HRM Dimensions.

<i>Human Resources Strategy</i>	<i>Human Resources Policy Implications</i>	<i>Position on Strategic Dimensions</i>
<p><b>Accumulator Strategy</b></p> <p><i>Strategy based on building maximum involvement and skilled execution.</i></p> <ul style="list-style-type: none"> <li>- Acquisition of employees with large latent potential</li> <li>- Development over time of employee abilities, skills, &amp; knowledge</li> </ul>	<p>Internal development of human resources</p> <p>Careful selection of procedures on basis of personal fit</p> <p>Creation of functional specialists</p> <p>Heavy emphasis on OJT and job rotation</p> <p>Slow, steady promotion</p> <p>Long-term employment and job security</p> <p>Policy of egalitarianism among workers</p> <p>High levels of training</p> <p>Salary based on job level and seniority</p>	<p>Participation: Moderate</p> <p>Time Horizon: Long</p> <p>Formality: High</p> <p>Explicitness: Low</p> <p>Scope: Broad</p> <p>Individualism: Low</p> <p>Frame: Internal</p> <p>Justice: Equality</p>
<p><b>Facilitator Strategy</b></p> <p><i>Strategy based on new knowledge and new knowledge creation.</i></p> <ul style="list-style-type: none"> <li>- Acquisition of self-motivated personnel</li> <li>- Encourage &amp; support self-development of abilities, skills, &amp; knowledge</li> <li>- Coordinate between accurate placement and flexible team structures</li> </ul>	<p>Mixture of outside hires and internal development of employees</p> <p>Selection of employees based on technical and personal fit</p> <p>Hire self-motivators</p> <p>Organizational attractiveness used to retain employee</p> <p>Emphasis on groups, informal interaction</p> <p>Careful placement and development</p> <p>Design of flexible teams</p> <p>Heavy emphasis on employee development focused on individual and facilitated by the firm</p>	<p>Participation: High</p> <p>Time Horizon: Intermediate</p> <p>Formality: Low</p> <p>Explicitness: Moderate</p> <p>Scope: Broad</p> <p>Individualism: Moderate</p> <p>Frame: Mixed</p> <p>Justice: Mixed</p>
<p><b>Utilizer Strategy</b></p> <p><i>Strategy based on minimal commitment and high skill utilization.</i></p> <ul style="list-style-type: none"> <li>- Employ ready-to-use talent</li> <li>- Move employee to match abilities, skills, &amp; knowledge to specific tasks</li> </ul>	<p>Closely match employee skills to task requirements in hiring</p> <p>Selection of employees based on technical skills</p> <p>Employment at will</p> <p>Low emphasis on employee training</p> <p>Appraisal and rewards based on results</p> <p>Compensation based on external market referents</p> <p>External recruitment at all level</p>	<p>Participation: Low</p> <p>Time Horizon: Short</p> <p>Formality: Moderate</p> <p>Explicitness: High</p> <p>Scope: Narrow</p> <p>Individualism: High</p> <p>Frame: External</p> <p>Justice: Equity</p>

**Table 2: Descriptive Statistics on the Three HRM Strategy Types (N=64)**

	Total Sample Mean	Accumulators Mean	Facilitators Mean	Utilizers Mean
Total sales of MNC worldwide ( x 1,000)	\$5,648,000 (15,244,000)	\$3,650,875 (11,182,500)	\$9,103,105 (20,900,786)	\$2,771,714 (3,044,409)
Total number of employees in MNC worldwide	16,500 (52,800)	3,338 (4,612)	32,100 (78,050)	9,082 (10,366)
Total number of MNC employees in U.S.	700 (2,000)	424.29 (1,319.5)	1,014.30 (2,699.24)	574 (1,089.16)
MNC's years of experience in U.S.	15.86 (17.18)	20.32 (20.85)	12.71 (15.24)	14.22 (9.47)
# manufacturing/ nonmanufacturing	-mfg. 29 -nonmfg. 34	12 15	12 15	5 4
Total sales of affiliate (x 1,000)	\$128,763.89 (214,793.95)	130,072.73 (128,921.13)	99,900.00 (182,584.41)	241,340.00 (428,694.62)
Number of employees in affiliate	256.20 (577.06)	166.75 (254.16)	230.00 (511.11)	660.14 (1,243.61)
Age of affiliate	10.43 (8.06)	10.79 (7.96)	10.24 (8.80)	10.83 (6.65)
Capital held by parent when established	92.79% (18.87)	94.8% (14.93)	92.86% (21.40)	85.57% (24.64)
Capital of parent now	96.15% (11.1)	92.97% (14.93)	98.21 (6.70)	100% (0)
Type of investment				
-Greenfield	75.5%	78.3%	73.1%	71.4%
-Acquisition	14.0%	13.0%	15.4%	14.3%
-Joint Venture	10.5%	8.7%	11.5%	14.3%
Number of Japanese managers in affiliate	6.36 (4.18)	8.9 (4.6)	5.2 (3.0)	4.4 (3.8)
% of Japanese managers of all affiliate managers	36% (.47)	51% (.68)	30% (.225)	8% (.04)

**Table 3: Descriptive Statistics on the Three HRM Strategy Types (n=49)\***

	Accumulators Mean(n=21)	Facilitators Mean (n=22)		Utilizers Mean (n=6)
Total sales of MNC worldwide (x 1,000)	\$1,703,833.33 (3,088,796.61) <sup>1</sup>	\$10,169,647.06 (21,908,137.14)	* <sup>2</sup>	\$3,877,000.0 (2,925,388.01)
Total number of employees in MNC worldwide	3,912.06 (5,209.18)	39,997.21 (87,009.21)	*	13,175.00 (11,933.69)
Total number of MNC employees in U.S.	461.42 (1,507.45)	1,375.50 (3,090.10)		805.17 (1,303.52)
MNC's years of experience in U.S.	22.66 (23.16)	13.95 (16.67)		14.67 (9.85)
# manufacturing/ nonmanufacturing	-mfg. 10 -nonmfg. 11	11 11		3 3
Total sales of affiliate (x 1,000)	130,072.73 (128,921.13)	99,900.00 (182,584.41)		241,340.00 (428,694.62)
Number of employees in affiliate	190.19 (263.95)	271.09 (547.26)		769.17 (1325.16)
Age of affiliate (in years)	12.06 (8.05)	9.58 (8.13)		12.20 (6.42)
Capital held by parent when established	94.8% (13.74)	95.5% (12.62)		90.0% (22.36)
Capital of parent now	90.9% (17.0)	98.2% (7.52)		100% (0) *
Type of investment				
-Greenfield	79.0%	71.4%		80.0%
-Acquisition	10.5%	14.3%		0
-Joint Venture	10.5%	14.3%		20.0%
Number of Japanese managers in affiliate	9.14 (4.6)	5.2 (3.0)		6.2 (3.8) *
% of Japanese managers of all affiliate managers	31% (.27)	24% (.15)	*	6% (.01) *

\*All affiliates with under 10 employees have been deleted from the sample.

<sup>1</sup> Numbers in parentheses are standard deviations.

<sup>2</sup> Differences between the strategy types are significant. A \* after the Utilizers column indicates a significant difference between Utilizers and Accumulators.

TABLE 4. HRM Policy Profile: Average Scores on the Eight HRM Dimensions for the Three HRM Strategy Types.

	<b>Accumulator</b>		<b>Facilitator</b>		<b>Utilizer</b>	
Participation	3.97		3.60		3.17	* <sup>1</sup>
Time Horizon	3.82	*	3.51	*	3.03	**
Formality	4.56		4.35		4.08	
Explicitness	3.99		3.84		4.40	
Scope	3.89		3.53		3.55	
Individualism	3.51		3.24		3.24	
Frame	3.66		3.85		3.55	
Justice	3.52		3.36		3.16	

\* =  $p < .10$       \*\* =  $p < .05$       \*\*\* =  $p < .01$

<sup>1</sup> Asterisks indicate level of significance on a t-test of differences between means for the items means to the immediate left and right. Asterisks at the end of rows indicate significant differences between Utilizers and Accumulators on that item.



TABLE 5. HRM Policy Profile: Scores on the Eight HRM Dimensions for the Three HRM Strategy Types by HRM Function.

	Accumulator		Facilitator		Utilizer	
			Planning			
Participation	4.50	* <sup>1</sup>	3.62		4.00	
Time Horizon	3.60		3.86	*	2.50	*
Formality	4.10		4.09		3.33	
Explicitness	4.80	**	3.95		4.67	
Scope	4.20		3.82	**	2.50	***
Individualism	3.55		3.59		3.67	
Frame	3.45		3.73	**	2.00	**
Justice	2.88		3.32		3.25	
			Staffing			
Participation	4.45		4.50		4.67	
Time Horizon	3.75		3.77		4.17	
Formality	3.85		3.91		4.60	
Explicitness	4.75		4.09		4.80	
Scope	3.45		3.27		3.60	
Individualism	4.11	*	3.55		3.20	
Frame	3.45		3.68		3.50	
Justice	3.45		3.45		2.75	
			Compensation			
Participation	3.00		2.55		2.00	
Time Horizon	4.77		4.29		4.67	
Formality	6.21	**	5.45		5.33	
Explicitness	2.32		3.23		3.00	
Scope	5.00		4.27		4.40	
Individualism	3.39		3.23		3.00	
Frame	3.94		4.29	**	2.60	*
Justice	4.22		3.86		4.17	
			Appraisal			
Participation	3.63		3.86	*	2.50	
Time Horizon	3.21		3.00	*	2.17	*
Formality	5.16		4.95		5.00	
Explicitness	3.00	*	3.86		3.50	
Scope	2.68		3.27		3.00	
Individualism	2.74		2.95		2.67	
Frame	3.32		3.59		3.50	
Justice	2.68		2.91		3.60	
			Training			
Participation	4.00		3.63		2.67	*
Time Horizon	3.21		2.91	**	1.67	***
Formality	3.47		3.32	**	2.00	**
Explicitness	5.05	**	4.05	**	5.83	
Scope	4.00	***	3.00	*	2.17	***
Individualism	3.26		2.86		2.83	
Frame	3.79		3.95		4.00	
Justice	4.42	***	3.27		3.80	

\* =  $p < .10$       \*\* =  $p < .05$       \*\*\* =  $p < .01$

<sup>1</sup> Asterisks indicate level of significance on a t-test of differences between means for the items means to the immediate left and right. Asterisks at the end of rows indicate significant differences between Utilizers and Accumulators on that item.

TABLE 6. HRM Practice Profile: Average Scores on the Eight HRM Dimensions for the Three HRM Strategy Types.

	<b>Accumulator</b>	<b>Facilitator</b>		<b>Utilizer</b>
Participation	57.4%	60.3%		49.4%
Time Horizon	52.2%	49.9%		38.8%
Formality	42.3%	53.6%	* <sup>1</sup>	31.9%
Explicitness	30.4%	34.7%		23.4%
Scope	45.2%	44.3%		34.1%
Individualism	51.2%	49.9%		43.1%
Frame	50.6%	53.3%	*	32.2%
Justice	39.6%	40.8%	*	25.3%

\* =  $p < .10$       \*\* =  $p < .05$       \*\*\* =  $p < .01$

<sup>1</sup> Asterisks indicate level of significance on a t-test of differences between means for the items means to the immediate left and right. Asterisks at the end of rows indicate significant differences between Utilizers and Accumulators on that item.

TABLE 7. HRM Practice Profile: Scores on the Eight HRM Dimensions for the Three HRM Strategy Types by HRM Function.

	Accumulator		Facilitator		Utilizer
			<i>Staffing</i>		
Participation	27.1%		24.6%		26.3%
Time Horizon	69.3%		61.3%		35.0%
Formality	52.9%		40.4%		63.8%
Explicitness	11.4%	* <sup>1</sup>	34.6%		21.3%
Scope	53.6%		72.7%		62.5%
Individualism	30.0%		39.6%		33.8%
Frame	62.1%		56.4%		63.8%
Justice	33.6%		35.0%		13.8%
			<i>Compensation</i>		
Participation	61.5%		45.7%		40.0%
Time Horizon	36.9%	*	62.5%		55.0%
Formality	43.8%		66.4%		50.0%
Explicitness	32.3%		31.4%	**	0.0%
Scope	39.2%		41.9%		27.5%
Individualism	49.2%		47.3%		52.5%
Frame	52.3%		56.9%		27.5%
Justice	59.2%		64.2%	**	86.3%
			<i>Appraisal</i>		
Participation	52.1%		37.3%	**	85.0%
Time Horizon	56.4%		46.1%		40.0%
Formality	42.1%		35.0%	*	75.0%
Explicitness	45.0%		36.2%		40.0%
Scope	67.9%		67.5%		82.5%
Individualism	55.7%		44.6%		62.5%
Frame	54.3%		39.6%		15.0%
Justice	45.7%		46.7%		36.3%
			<i>Training</i>		
Participation	48.2%		62.1%		68.8%
Time Horizon	72.5%	**	42.5%		65.0%
Formality	22.1%		18.8%		16.3%
Explicitness	23.6%		19.2%		12.5%
Scope	67.1%		71.9%		53.8%
Individualism	33.6%		51.8%	*	16.3%
Frame	59.3%		72.9%		50.0%
Justice	54.3%		61.4%		62.5%

\* = p < .10

\*\* = p < .05

\*\*\* = p < .01

<sup>1</sup> Asterisks indicate level of significance on a t-test of differences between means for the items means to the immediate left and right. Asterisks at the end of rows indicate significant differences between Utilizers and Accumulators on that item.

**Table 8: Expected vs. Actual Results (using z-scores)**

DIMENSION	<u>HRM STRATEGY</u>			
		ACCUMULATOR	FACILITATOR	UTILIZER
Participation	Expected rank	Middle	Highest	Lowest
	Policy Mean	.278*	-.103	-.546
	Practice Mean	-.005*	.134	-.388
Time horizon	Expected rank	Highest	Middle	Lowest
	Policy Mean	.397	-.095	-.857
	Practice Mean	.144	.024	-.556
Formality	Expected rank	Highest	Lowest	Middle
	Policy Mean	.155	-.049	-.311
	Practice Mean	-.172	.424	-.721
Explicitness	Expected rank	Lowest	Middle	Highest
	Policy Mean	.031	-.124	.454
	Practice Mean	-.044	.161	-.379
Scope	Expected rank	Highest	Middle	Lowest
	Policy Mean	.259	-.185	-.160
	Practice Mean	.126	.067	-.593
Individualism	Expected rank	Lowest	Middle	Highest
	Policy Mean	.300	-.150	-.283
	Practice Mean	.118	.027	-.447
Frame	Expected rank	Lowest (internal)	Middle	Highest (external)
	Policy Mean	-.048	.181	-.554
	Practice Mean	.077	.207	-.815
Justice	Expected rank	Highest (equality)	Middle	Lowest (equity)
	Policy Mean	.129	-.129	.177
	Practice Mean	.081	.144	-.665

\*Actual means have been converted to Z-scores for both policy and practice means.

FIGURE 1. Ideal Profiles for Accumulators, Facilitators and Utilizers on the Eight HRM Dimensions

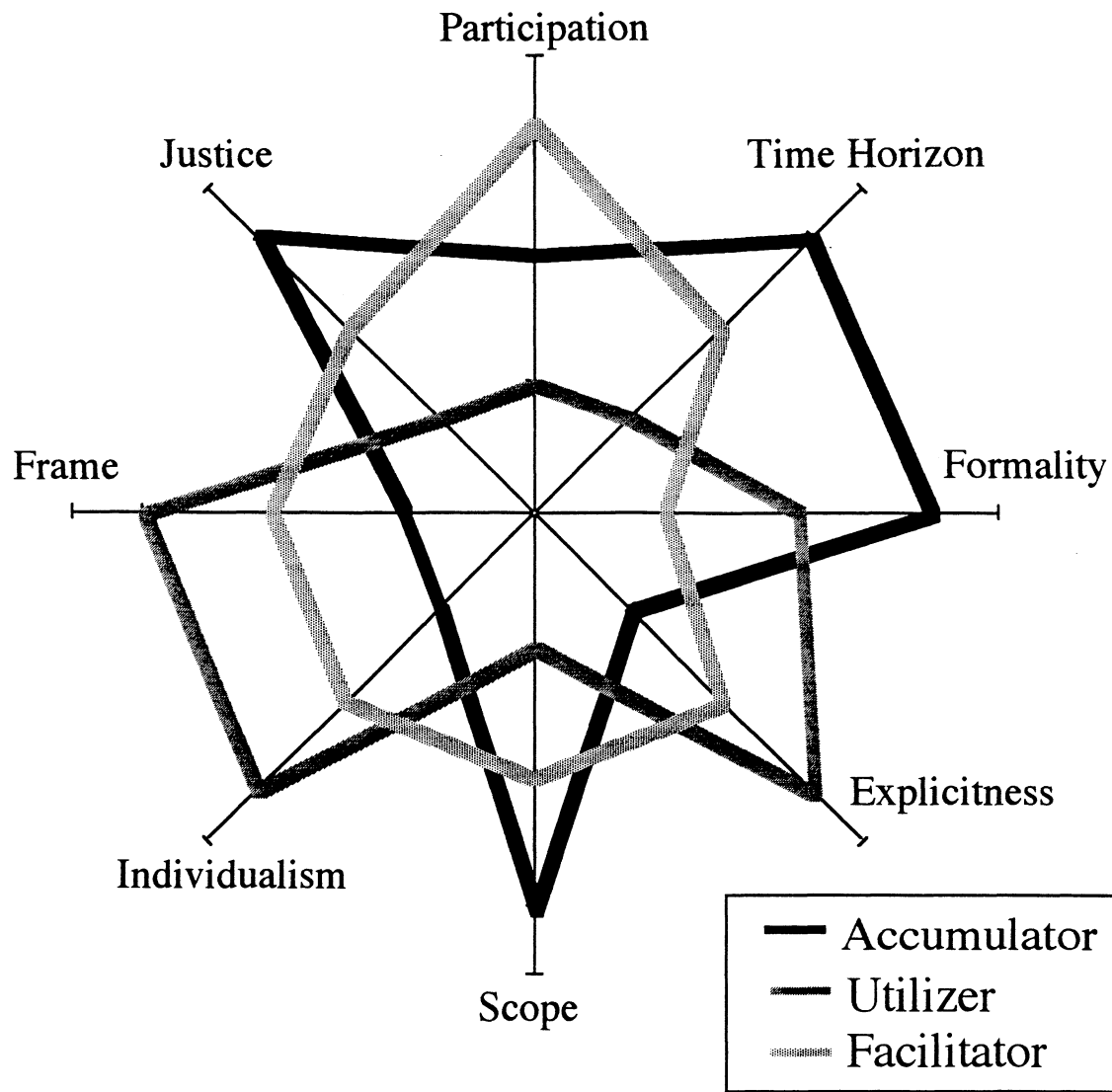


FIGURE 2. Predicted Plot Results, Actual Policies and Actual Practices for Accumulators on the Eight HRM Dimensions.

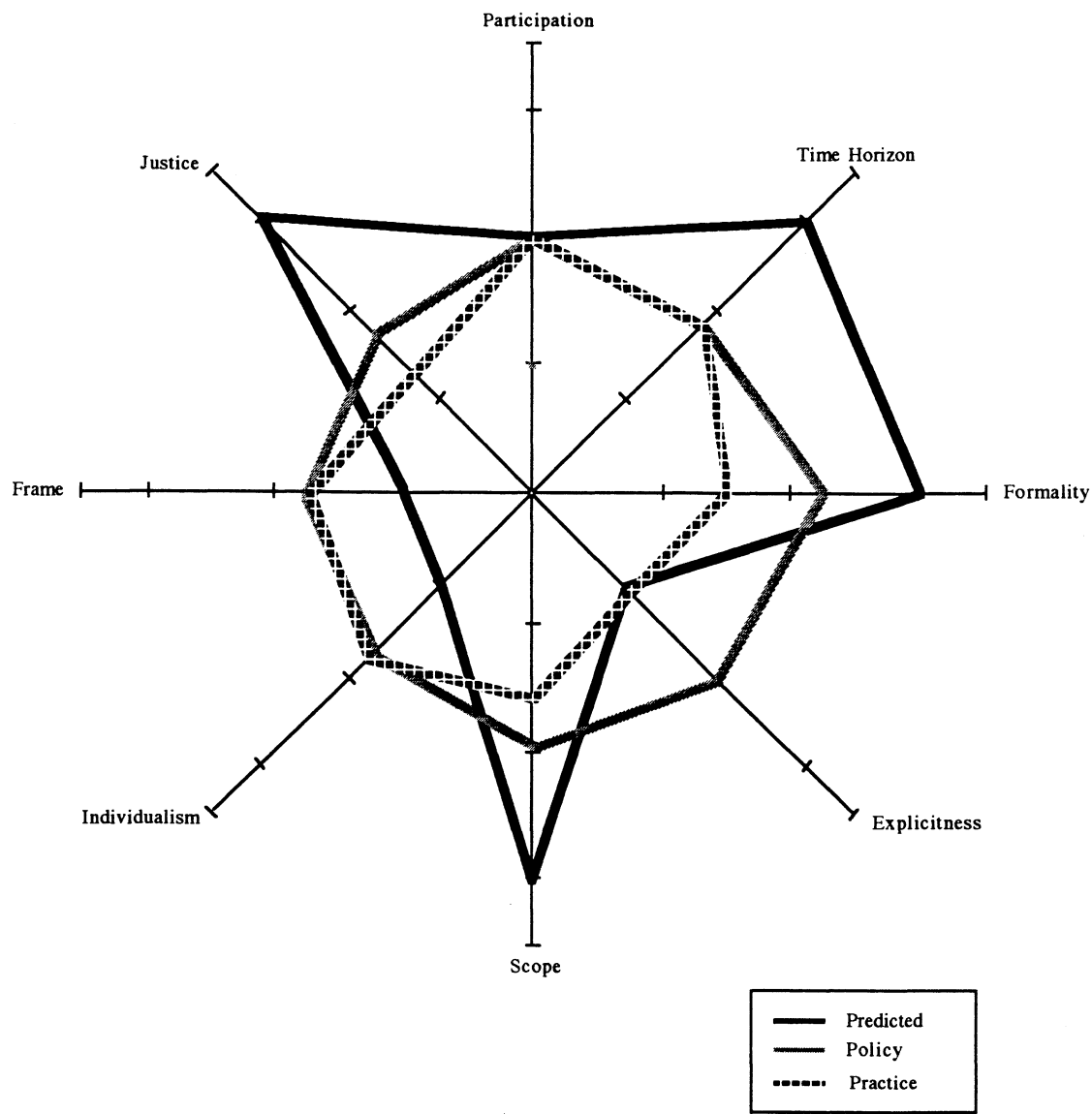


FIGURE 3. Predicted Plot Results, Actual Policies and Actual Practices for Facilitators on the Eight HRM Dimensions.

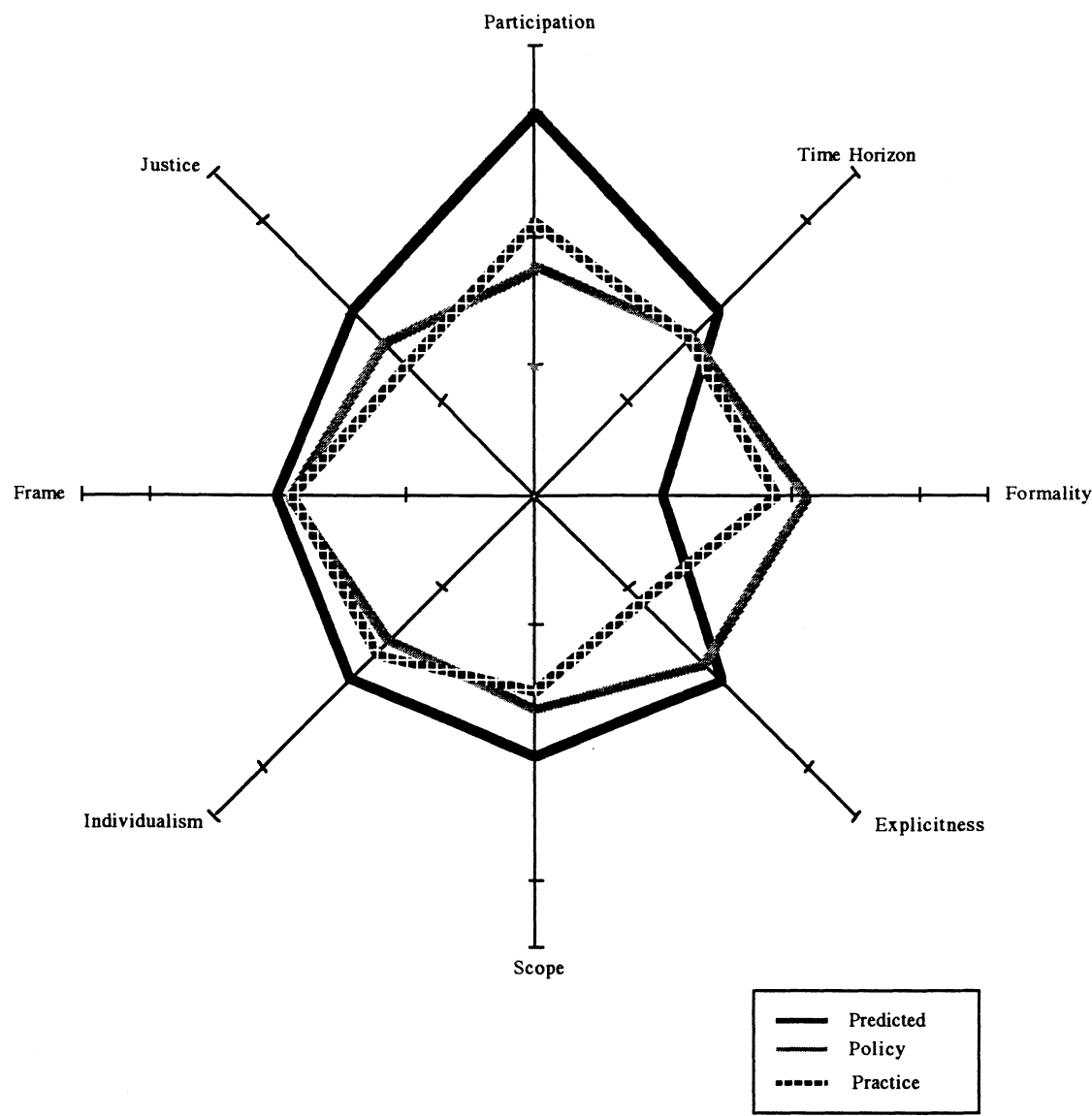


FIGURE 4. Predicted Plot Results, Actual Policies and Actual Practices for Utilizers on the Eight HRM Dimensions.

